



STATE OF INDIANA

DEPARTMENT OF FINANCIAL INSTITUTIONS



30 South Meridian Street, Suite 300
Indianapolis, Indiana 46204-2759
Telephone: (317) 232-3955
FAX: (317) 232-7655
WEB SITE <http://www.in.gov/dfi>

February 22, 2005

To: All Licensees Under the Indiana Small Loan Act

Re: Collection Practices

Attached please find the **Department of Financial Institutions Policy Statement on Payday Lending and Check Deception & Check Fraud**. The Department has become aware that certain licensees have been engaging in collection practices that the Department has determined to be in contravention of the Small Loan Act. The attached policy statement is intended to clarify the agency's position on these various practices and to promote compliance with the statute.

Also attached is a document including Frequently Asked Questions ("FAQ") regarding these issues. Agency management has attempted to identify and address anticipated questions in this FAQ document.

Each of these documents is also available for review on the agency's Web site which can be found at www.in.gov/dfi. You are strongly urged to review these documents and ensure compliance within your operations. As non-compliance is identified, the DFI will take appropriate regulatory actions, including revocation procedures.

Please contact Mark B. Tarpey, Supervisor of Consumer Credit Division, with any comments or questions regarding this information.